

**Evans, Sandra E**

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**From:** ddunlop@lubbocknational.com  
**Sent:** Monday, October 15, 2001 1:27 PM  
**To:** comments@fdic.gov; regs.comments@occ.treas.gov; regs.comments@federalreserve.gov; regs.comments@ots.treas.gov  
**Cc:** info@icba.org  
**Subject:** CRA Regulation Change Comment Letter

70

As a Regulator, you are currently reviewing whether to make changes to the CRA regulations, Lubbock National Bank would like the following comments considered.

Please increase the small bank size cut off to at least \$1 billion, and eliminate the small bank exam entirely.

- The industry has changed drastically since 1995 when the current size limits were put into place. Interstate banking and merger activity has increased the size and geographic expansion of individual companies. Since 1995, banks have grown into entities that spread from coast-to-coast and that have assets in the hundreds of billions. It's simply not fair to assess a \$500 million or \$1 billion bank using the same standards as are used for megabanks.

- There has been a dramatic shift in industry asset concentration. In 1980, the top 100 banks controlled approximately 51 percent of industry assets. In 1998, the top 100 banks controlled 75 percent of industry assets, while the top five banks controlled 23 percent of the industry's assets at the end of 1997. It would be appropriate to revise the CRA streamlined small bank examination to reflect this change.

- Banks should be evaluated against their peers and not against monolithic enterprises hundreds of times their size.

- Eligibility for the streamlined exam should NOT take the bank's holding company size into account (\$1 billion cut off). This additional qualification should be eliminated as irrelevant, only the size of the bank should be considered. The ICBA advocates that, at a minimum, the holding company size should be raised to \$5 billion. Better yet, it should be eliminated. We agree.....

David Dunlop, SVP  
Lubbock National Bank